



**December 2005**

## **Minutes of October 27 Meeting**

### **HECB Members Present**

Ms. Roberta Greene, vice chair  
Ms. Ethelda Burke  
Mr. Bill Grinstein  
Mr. Lance Kissler  
Sen. Betti Sheldon  
Mr. Mike Worthy

### **Board introductions**

Roberta Greene, vice chair, welcomed those in attendance to Central Washington University. Bob Craves, chair; Jesus Hernandez; and Sam Smith were absent and excused from the meeting.

Greene introduced Dr. Jerilyn McIntyre, president of Central Washington University. McIntyre provided a history of the campus and described recent efforts to rebuild student enrollment. In fall 2000, CWU experienced a decline approaching 600 full-time equivalent students. Central has reversed that downturn with the largest enrollment in history. In addition, the student body has taken on new characteristics since 2000. Students are better prepared, and Central has seen an increase in both retention rates and diversity.

Sen. Betti Sheldon asked McIntyre to explain why the quality of the student body has improved. McIntyre explained Central is attracting a different market segment, and that the university now requires students to submit application materials earlier in the year. Entering students are expected to be better prepared.

### **Executive Policy Committee Report**

Greene announced the retirement of Gary Benson, HECB director of fiscal policy. Mike Worthy recognized Benson's service to higher education, reading Resolution 05-18.

Greene announced the upcoming November 17 Advisory Council meeting at Tacoma Community College. The next board meeting is scheduled for December 15, and will be held at the UW Tacoma campus.

Greene, who serves as chair of the governor's Washington Learns Higher Education Advisory Committee, provided an update on upcoming committee events. The Steering Committee is scheduled to meet on November 14 at REI Headquarters in Kent. The Higher Education Advisory Committee is scheduled to meet November 29, 2005, at the Hilton Seatac Conference Center.

Greene encouraged board members and meeting attendees to visit the Washington Learns web site: <http://www.washingtonlearns.wa.gov>

### **2006 Legislative Preview**

Bruce Botka, director of government relations, presented a preview of the 2006 legislative session. The board will adopt its 2006 legislative agenda during the December meeting.

The regular 2006 Legislative session will convene Monday, January 9, 2006, and will adjourn no later than March 9.

Botka said tax collections are outpacing the projections used to develop the original 2005-07 spending plan, so lawmakers will have more money available for the 2006 supplemental budget than they originally anticipated.

The governor has indicated that she will present a Washington Learns legislative package during the 2006 session, but it is expected to focus primarily on early learning issues. An interim progress report for Washington Learns is due November 15, 2005.

The Snohomish, Island and Skagit counties (SIS) initiative also may come before the 2006 Legislature. Last session, lawmakers directed Everett Community College to develop a new management plan for SIS and make recommendations by December 2005. The new management plan is expected to focus on a university center model.

In addition, the HECB was appropriated \$500,000 in the 2005-07 capital budget to conduct a higher education needs assessment in the three-county area and recommend strategies to address those needs. The SIS local advisory committee will meet for the second time on October 28<sup>th</sup> in Everett. The HECB will submit an interim report to the Legislature by January 15, 2006, and a final report and recommendation by December 1, 2006.

Sheldon asked about legislative discussions regarding the creation of a four-year institution in the SIS area. Botka said that Senator Haugen was a primary supporter of the SIS initiative. During the 2005 legislative session, three of the state's four branch campuses were given the authority to admit freshman and sophomore students, while the WSU Tri-Cities branch was given limited authority. Currently, the HECB's needs assessment for the Snohomish, Island, Skagit County area is in the preliminary stages, while local efforts to determine higher education needs the Tri-Cities are continuing in that part of the state. Both efforts are expected to dominate higher education discussions during the 2006 legislative session.

Botka said the HECB has been working closely with the Tri-Cities Industrial Development Council (TRIDEC), which includes Columbia Basin College, WSU Tri-Cities, Pacific Northwest

National Laboratories, and local community and business leaders. The group is expected to release its higher education proposal on November 9 in Kennewick.

The House Higher Education Committee is studying teacher preparation, specifically for math and science disciplines. Botka said that Rep. Kenney is focusing attention on efficiency issues through HB 1434, which is being revised for the 2006 session. The bill is sponsored by Reps. Fred Jarrett, Skip Priest, and Don Cox.

The sudden shutdown of Business Career Training Institute (BCTI) earlier this year prompted the development of legislation to tighten up controls and requirements to better protect students. The Workforce Training and Education Coordinating Board (WTECB) maintains oversight for the career and technical colleges and has developed a bill for consideration in 2006 to improve state oversight of private career colleges.

The State Board for Community and Technical Colleges (SBCTC) is expected to include incremental faculty pay increases in their supplemental budget request.

Mike Worthy asked if the Legislature had begun reviewing the revised agency budget recommendations. Botka said that HECB staff have had preliminary meetings with staff of the Senate Ways and Means Committee and the Office of Financial Management (OFM).

### Board Action on Consent Agenda Items

**ACTION:** Lance Kissler moved to approve the minutes of the September meeting. Mike Worthy seconded the motion, which passed unanimously.

### Needs Assessment

HECB Associate Director Randy Spaulding spoke about key changes in the state's current assessment of higher education needs:

- By 2010, the public colleges must grow to accommodate an additional 45,000 FTE students to meet demand resulting from population pressure and increased demand for degrees.
- The state's higher education system must increase the number of graduates with the skills required to meet employer needs in a number of key occupational areas.
- Existing strategies in health care must be expanded and new programs and/or delivery mechanisms developed to meet employer and student demand.
- The state higher education system must develop strategies to increase the number of qualified K-12 teachers and administrators in key subject areas that are experiencing shortages.
- Additional study is recommended to better understand the apparent mismatch between supply and demand for trained workers in key occupational areas.
- Further analysis of college participation in several regions is necessary.

- Improvements to the methodology and data elements used in the needs assessment are recommended.

Greene asked Spaulding about the next steps in implementing the needs assessment. Spaulding said the report will be used in academic program planning and as a reference for reviewing new program proposals.

Grinstein said this report, based on the definition of supply and demand, was restrained by focusing only on a primary market area without considering secondary or tertiary markets. Grinstein recommended that future work should assign coefficients to secondary and tertiary markets.

Spaulding replied that staff did not revise the employment projections, but rather assumed that graduates at the baccalaureate and graduate levels would be somewhat mobile. In observing student enrollment patterns, staff tried to recognize that students from every region were attending colleges and universities throughout the state in different ratios. There was also an assumption that students in Eastern Washington most often enrolled at EWU or WSU.

Sulton discussed the board's responsibility regarding the needs assessment, which is to look at the statewide array of programs and consider such issues as the number and location of programs and the quality of instruction. Sulton also said that Chairman Craves would like staff to investigate and review the discipline of nursing. This document will help the HECB in its deliberations.

Greene suggested that the state's Chambers of Commerce may be interested in the needs assessment report because the general public is interested in the economy, and the chambers provide a venue for business leaders and the community to come together.

Grinstein said the needs assessment provides a solid foundation, and is a statement about the role of the HECB.

**ACTION: Mike Worthy** moved to approve the needs assessment report (**Res. 05-19**). **Bill Grinstein** seconded the motion, which passed unanimously.

## **Director's Report**

### Announcements

After 30 years of service – including 25 years as president, South Puget Sound Community College President Kenneth J. Minnaert has announced plans to retire from the college at the end of the academic year.

Gov. Gregoire has appointed former HECB member Herb Simon as a regent for the University of Washington.

Accountability and Performance Indicators

Sulton said that HECB associate director Chris Thompson will take the lead on accountability issues for the agency, succeeding former staff member Nina Oman. HECB staff are working with the public four-year college and universities to implement two sets of performance indicators. The first are the measures developed by the HECB in collaboration with the universities as part of the state's long-term effort to assess higher education accountability improvements. The second set was developed by the Office of Financial Management and included in the state operating budget by the Legislature and Gov. Gregoire. Future HECB reports and analyses will address both sets of measurements.

National Collaborative for Postsecondary Education

Washington is one of five states that have been participating in a national effort to improve postsecondary education. The National Collaborative is comprised of the Education Commission of the States (ECS), the National Center for Public Policy and Higher Education, and the National Center for Higher Education Management Systems. These organizations have been working with Washington and four other states (Missouri, Rhode Island, Virginia, and, West Virginia) to define a public agenda for higher education.

Sulton posed a number of questions that he said should form the core of the strategic master plan and help focus institutional collaboration: "How do we utilize our role to make higher education a more prominent policy agenda in the state? How do we emphasize the need for higher education? What does the state really want for higher education?" While the National Collaborative has confirmed that our state is in good standing, Sulton said that much can be learned from other states.

Washington Association of Colleges for Teacher Education

Sulton said he recently attended a meeting held by the Washington Association of Colleges for Teacher Education (WACTE) at Seattle Pacific University, which provided an opportunity for the HECB to join the deans of education in discussing implementation of the P-16 initiative.

Hurricane Katrina

HECB staff have been tracking the temporary enrollment status of students affected by Hurricane Katrina. Washington institutions have received a total of 93 evacuee students: 23 graduate students, eight professional students, and 62 graduate students.

Proportionality Agreements

Legislation signed into law earlier this year granted authority for WSU Vancouver to offer lower-division courses to freshman and sophomore students, in accordance with proportionally agreements that ensure that access to transfer students will not diminish as a result.

Sulton said that Steve Olswang, interim chancellor for UW Bothell, is now proposing that proportionality agreements be established between UWB and local community colleges.

Four-Year Degrees at Two-Year Colleges

The 2005 Legislature approved a pilot program that will allow four community colleges to offer four-year degrees, beginning in fall 2007. The colleges will be chosen in spring 2006.

**Fiscal Committee Report and the 2006 Supplemental Budget**

Mike Worthy, chair of the fiscal committee, provided information discussed during the October 6 committee meeting at Highline Community College. Those in attendance were Greene, Smith, Burke, Kissler, and Worthy.

The fiscal committee discussed the HECB's proposed 2007-09 operating and capital budget guidelines, as well as the possibility of considering the needs assessment in developing the agency's 2007-09 operating and capital budget proposals.

In December, the HECB will make supplemental budget recommendations to the 2006 Legislature.

Gary Benson described the process used by the HECB in responding to supplemental budget requests submitted by the state's colleges and universities. OFM asked institutions to submit their supplemental budget requests – which totaled approximately \$60 million -- by October 17. A number of institutions requested funding for utility rate increases and funding to accommodate students with disabilities. While the HECB is expected to respond to these institutional requests by November 1, staff believe this deadline provides insufficient time to thoroughly review all requests. To that end, staff are seeking board approval of Resolution 05-20, stating that the board did not have sufficient time to respond to the OFM request. The resolution also reiterates support for the board's previously stated fiscal priorities, as outlined in the 2004 Strategic Master Plan regarding college and university supplemental budget requests.

**ACTION:** Mike Worthy moved to approve a resolution (**Res 05-20**) stating that the board stands behind the fiscal priorities outlined in its 2004 Strategic Master Plan, as they relate to the college and university supplemental budget requests presented to OFM. Betti Sheldon seconded the motion, which passed unanimously.

Grinstein questioned when the board would be able to consider the institutional budget requests. Benson responded that the review would likely be presented at the December meeting, after the next fiscal committee meeting. Benson also explained that tying the needs assessment to the budget request will likely have a positive effect on legislative discussions.

Worthy believes it is the board's role to be the primary voice calling for sufficient resources for higher education in the state. The needs assessment is a perfect tool to emphasize those needs.

**2007-09 Operating and Capital Budget Priorities and Guidelines**Operating Budget

Benson reviewed the HECB draft 2007-09 operating budget guidelines. State statute requires the HECB to "review and evaluate" the operating and capital budget requests of the public colleges and universities. Prior to this review, evaluation and development of recommendations, the

HECB is to adopt and distribute budget guidelines in December of each odd-numbered year. These guidelines outline the HECB's fiscal priorities and reflect the goals and strategies of the strategic master plan. Grinstein noted that the 2005 Legislature funded additional FTE student enrollments and questioned whether additional slots should be viewed as incoming lower-division enrollments. Benson confirmed that to be the case in both the 2- and 4-yr systems.

#### Capital Budget

HECB Associate Director Jim Reed reviewed the capital budget guidelines and discussed House Bill 2151 – enacted by the 2003 Legislature – that calls for clear priorities for capital project expenditures.

The law requires the state's four-year public institutions to prepare a single prioritized individual ranking of institutional capital projects, using guidelines developed by the HECB. The SBCTC is directed to continue to submit a single prioritized ranking of proposed projects for the state's two-year system.

The board's 2005-07 guidelines include common definitions and a framework for prioritizing four-year projects, as required in ESHB 2151. During the 2005 legislative session, legislators made recommendations to improve the process through Section 908 of the 2005-07 capital appropriations act (ESSB 6094).

Reed said the HECB has begun to refine the process and meetings are underway with representatives of the four-year schools and the Council of Presidents. A third meeting will be held November 8.

Worthy asked Reed to define minor-works projects. Reed said that according to OFM's budget instructions, any project valued at less than \$1 million is considered a minor-works project. An institution or state agency can combine all of its minor-works projects into one item.

#### **Education Committee Report**

Sheldon provided the education committee report in the absence of committee chair Sam Smith. The committee met by teleconference on Oct. 17.

The committee discussed the regional needs assessment proposal that was presented during the September board meeting. Discussion included Chairman Craves' request that staff review nursing education in the state. The executive committee has agreed to consider the issue. In addition, the committee discussed the board's proposal to revise minimum college admission standards and agreed to further review at a later date.

Staff advised the committee about several efforts related to articulation and transfer, including House Bill 2382, which was enacted during the 2005 session. HB 2382 required the HECB to convene a statewide workgroup to investigate different options and costs for an online advising system. The workgroup evaluated existing systems in Washington, identified features of an ideal system, and then considered systems in use by other states. Based on this research, three options were identified and implementation costs were identified. The result of the group's work is

available in a report submitted to the Legislature in January 2005. The HECB supports one particular option, as used in Maryland and New Jersey, because it provides the best selection of features identified as “ideal” by the workgroup and, more importantly, is the easiest for students to use and understand.

In October, the HECB submitted a supplementary budget request for \$1.64 million for a statewide online student advising system. The system would help students plan their college curriculum -- particularly community college students hoping to transfer to a four-year school.

### **College Readiness Project**

HECB Associate Director Ricardo Sanchez briefed the board on efforts to improve college readiness. The 2004 Strategic Master Plan calls for educators to collaboratively define college readiness in several core subjects, including math, science, English and social studies. The Legislature and governor earmarked \$600,000 in the 2005-07 operating budget for the HECB to define college readiness in science and English. The board has convened a project coordination team – including representatives of K-12, the community and technical colleges, and four-year universities -- to help direct the project.

Worthy asked why the Legislature limited the project to English and science. Sulton said he believes the Legislature reviewed the strategic master plan prior to recommending that the state fund an effort to define college readiness. The “Transitions” math project has been underway for some time, and is showing progress. The college readiness project provides a step-by-step approach to defining all core disciplines.

### **Financial Aid Committee Report**

Sulton introduced John Klacik, HECB director for student financial assistance. Klacik provided an update on the pending reauthorization of the federal Higher Education Act of 1965. The Act is ongoing, but is reconsidered every six years – most recently in September 2003. The deadline was extended to December 31, 2005, and Klacik expects that a further delay will push reauthorization into spring 2006.

Major activities include:

- (1) Student financial assistance (generally known as Title IV) is provided by Congress through the Act. In Washington State, students receive approximately \$1 billion annually in federal student aid, grants, work assistance, and loans. Eighty percent of that funding is in loans.
- (2) Early awareness and early outreach projects, such as the Trio and GEAR UP programs throughout the state.
- (3) Aid to institutions, such as libraries.
- (4) Teacher training.



Reauthorization also would revise a portion of the Leveraging Education Assistance Program (LEAP). LEAP is the only program that provides federal matching funds for state aid programs (currently about \$1.8 million). The U.S. Senate proposal would reformulate 60 percent of the funding into a program called Grants for Access and Persistence (GAP). GAP is a federally-mandated partnership between the state, business, philanthropies, and colleges. Klacik said that a student aid advisory committee has been created to advise Congress on reauthorization issues. The committee is scheduled to address the board during its regular December meeting.

#### Public Comment

EWU science professor Jeff Corkill (and HECB Advisory Council member) asked Sanchez about the committee that was selected to define college readiness for the English and science disciplines, and urged that faculty be included. Corkill said that more coordination between the high schools and universities, both at the administrative and the faculty levels, would increase efficiency and use of funding.

The meeting adjourned at 2 p.m.